

BEFORE THE  
STATE OF ILLINOIS  
COMMERCE COMMISSION

Frontier Communications of America, Inc. )  
Application for a Certificate of )  
Authority to Operate as a )  
Facilities-Based and Resold Carrier )  
of Local and Resold Long Distance )  
Telecommunications Services in )  
Statewide in the State of Illinois )

FRONTIER COMMUNICATIONS OF AMERICA, INC.

TESTIMONY OF MICHAEL J. NIGHAN

**OFFICIAL FILE**

I.C.C. DOCKET NO. 00 0505  
Exhibit Exhibit No. 1  
Witness Michael J. Nighan  
Date 8/22/00 Reporter 63

1     **Q.     Will you please state your name and business address.**

2  
3     A.     My name is Michael J. Nighan. My business address is 180 South Clinton Avenue,  
4     Rochester, New York 14646. My telephone number is (716) 777-8456 and facsimile number is  
5     (716) 232-3646.

6  
7     **Q.     By whom are you employed and in what capacity?**

8  
9     A.     I am the Director of Regulatory Affairs for Frontier Communications of America, Inc.

10  
11    **Q.     Please give a brief description of your background and experience.**

12  
13    A.     I have fifteen (15) years experience in the telecommunications industry with Frontier  
14    Corporation and its subsidiaries, where I have held various sales, marketing and regulatory  
15    positions.

16  
17    **Q.     What is the purpose of your testimony?**

18  
19    A.     This testimony has been filed to answer the question for this Commission as to whether the  
20    Company is technically, financially, and managerially capable to provide the services it proposes  
21    in Illinois.

1     **Q.     Has Frontier Communications of America registered to do business in Illinois?**

2  
3     A.     Yes. A copy of the certificate from the Illinois Secretary of State's office, authorizing the  
4     Company to conduct business in Illinois is attached to our application in Attachment I.

5  
6     **Q.     Describe Frontier Communications of America's experience in the telecommunications**  
7     **business.**

8  
9             The Company is a wholly owned subsidiary of Global Crossing North America, Inc.  
10    (formerly Frontier Corporation), which is a wholly owned subsidiary of Global Crossing, Ltd.  
11    who provides quality telecommunications services to over two million customers throughout the  
12    country. The Company has a proven track record for providing high quality services and  
13    responsive customer service. The Company possesses all the necessary capabilities to operate as  
14    a provider of resold services.

15  
16    **Q.     Where is Frontier Communications of America currently certificated?**

17  
18    A.     Applicant has authority to provide resold long distance services in Michigan, Iowa,  
19    Minnesota, New York, Pennsylvania and Wisconsin. Applicant has filed petitions to amend its  
20    authority in these states to add facilities-based and resold local exchange services. In addition,  
21    Application will file petitions in Alabama, Florida, Georgia, Mississippi, Ohio, Illinois and  
22    Indiana to for authority to provide facilities-based and resold local exchange and resold long  
23    distance services.

1     **Q.     Where in Illinois does Frontier Communications of America intend to offer its local**  
2     **services?**

3  
4     **A.     By its application, the Company is seeking statewide authority, although initially the**  
5     **Company will offer services only in those areas currently served by Ameritech.**

6  
7     **Q.     Please describe the services Frontier Communications of America proposes to offer.**

8  
9     **A.     The Company proposes to offer facilities-based and resold local and intrastate long distance**  
10    **services throughout the state of Illinois. Our service is tailored for small business and residential**  
11    **customers. Applicant is specifically seeking authority to provide service using the switching**  
12    **facilities of its affiliated incumbent local exchange carriers in the State of Illinois.**

13  
14    **Q.     Describe the proposed Frontier Communications of America Illinois tariff.**

15  
16    **A.     The Company's tariff describes the Company's rules and regulations, services and rates**  
17    **of local exchange and resold long distance service offered to business and residential Customers.**  
18    **Local Services includes basic local service, Direct Inward Dialing, Optional Calling Features and**  
19    **listing services. The Company also offers inbound and outbound telecommunications services,**  
20    **utilizing switched and dedicated access. Switched access service is available on a presubscription**  
21    **basis from equal access originating end offices. The Company will also offer local and long**  
22    **distance operator assisted services.**

1     **Q.     Does Frontier Communications of America own any network switches or transmission**  
2     **facilities used in routing calls?**

3  
4     A.     Initially, the Company proposes to provide its services through UNE and UNE-P  
5     arrangements. At this time, the Company has no plans to construct facilities. The Company will  
6     be using the switching facilities of its affiliated incumbent local exchange carriers, Frontier  
7     Communications of Illinois, Inc., Frontier Communications of DePue, Inc., Frontier  
8     Communications of Lakeside, Inc., Frontier Communications of Midland, Inc., Frontier  
9     Communications of Mt. Pulaski, Inc., Frontier Communications of Prairie, Inc., and Frontier  
10    Communications of Schuyler, Inc. The Company will ensure compliance with Commission Rules.

11  
12    **Q.     How will Frontier Communications of America bill for its services?**

13  
14    A.     The Company intends to bill its customers using the in-house billing systems of its  
15    affiliated incumbent local exchange carriers. The Company's name will appear on its bill pages  
16    and the bill will contain a toll free number for inquiries.

17  
18    **Q.     How are billing errors, complaints and trouble reports handled?**

19  
20    A.     Applicant has made arrangements for customer service to be provided by its affiliated  
21    incumbent local exchange carrier. The number the customer will call will be a local number  
22    provided by the incumbent. Customer service agents will be available twenty-four hours per day,  
23    seven days a week.

1 Alternatively, customers wishing to communicate with an the Company's customer service  
2 representative in writing may send written correspondence to our corporation at:

3  
4 Customer Care Manager

5 Frontier Communication s of America, Inc.

6 1445o Burnsville Drive

7 Burnsville, MN 55306  
8

9 **Q. How will Frontier Communications of America effect repairs for local service?**

10  
11 A. The Company has made arrangements for repairs to be provided by its affiliated incumbent  
12 local exchange carrier.  
13

14 **Q. Does Frontier Communications of America have a contact person that will work with**  
15 **the Illinois Consumer Services Division for customer complaint resolution?**  
16

17 A. Yes, I, Michael Nighan, Director of Regulatory Affairs for the Company, am the contact  
18 person for the Illinois Consumer Services Division.  
19

20 **Q. Does your Company have a sample Customer bill or disconnect final notice that is in**  
21 **compliance with Illinois Administrative Code Part 772.55?**  
22

23 A. Yes, the billing statement will be in compliance with the Illinois Administrative Code.

1 Q. Is the Company aware of the area code splits and Ameritech's role as number  
2 administrator?

3  
4 A. Yes.

5  
6 Q. Will Frontier Communications of America assist Ameritech in its role by providing  
7 timely and accurate forecasts of its customers' demand?

8  
9 A. Yes, the Company will reply to these requests in a timely and accurate manner.

10  
11 Q. Has Frontier Communications of America begun negotiations with incumbent LECs  
12 in Illinois?

13  
14 A. No. The Company is in the process of initiating negotiations with incumbent LECs.

15  
16 Q. Will your tariff include 9-1-1 service?

17  
18 A. The Company does not have plans at this time to offer 9-1-1 service facilities or databases  
19 to county or emergency service personnel. It will, however, provide 9-1-1 calling capabilities to  
20 its customers and will contract with ILECs or emergency service providers to insure that its  
21 customer's information is included in all applicable 9-1-1 databases. No database charges will  
22 apply to our customers. If necessary to remain in compliance with Illinois regulations in the  
23 future, the Company will collect 9-1-1 surcharges as ordered and will remit those surcharges to  
24 the appropriate agencies.

1 Q. Is your company prepared to handle 9-1-1 service pursuant to the Emergency  
2 Telephone Systems Act, 83 Illinois Administrative Code Part 725?

3  
4 A. Yes.

5  
6 Q. Will your company file a tariff for all services and charges associated with 9-1-1 if  
7 any?

8  
9 A. Yes. The Company's current tariff will include a statement that the Company' customers  
10 will be able to dial 911 and reach the emergency systems provided by other carriers to the  
11 agencies. It will also state that applicable 911 surcharges will be added to the rates specified in the  
12 tariff.

13  
14 Q. Who will be responsible for building and maintaining the 9-1-1 database for your  
15 customers? How often will updates be performed on the 9-1-1 database?

16  
17 A. I, Michael Nighan, Director of Regulatory Affairs for the Company, am contact for 9-1-1  
18 services. While we have not yet developed exact plans, we anticipate that the frequency of the data  
19 base updates will be the same for the Company as for the ILEC.

20  
21 Q. Does your company have procedures for the transitioning of 9-1-1 surcharge collection  
22 and disbursement to the local 9-1-1 system?

23  
24 A. Yes. The company has procedures in place to collect and remit all surcharges required by  
25 the state.



1 Q. Will your company's customers receive the same quality of 9-1-1 service that is  
2 currently offered from the incumbent LECs?

3  
4 A. Since we will contract with the ILECs for 911 access on behalf of our customers, our 9-1-1  
5 service will mirror that of the ILEC.

6  
7 Q. Will you be able to meet the requirement under section 725.500, 0. for call boxes?

8  
9 A. The Company does not anticipate engineering 911 systems and, therefore, does not plan  
10 to implement calls boxes as anticipated by Section 725.500,0. The Company will coordinate with  
11 the local 911 system provider(s) for emergency call routing in the event the central office is  
12 isolated from the control office or selective router.

13  
14 Q. Describe Frontier Communications of America's financial ability to operate as a  
15 telecommunications provider.

16  
17 A. The Company possesses the financial capability to provide the requested service. Frontier  
18 Communications of America, Inc. is a wholly owned subsidiary of Global Crossing North  
19 America, Inc., which is a wholly owned subsidiary of Global Crossing, Ltd. The Company will  
20 be able to rely on the financial resources of the parent, which are significant. A copy of the most  
21 recent SEC 10K filing of Global Crossing was provided in Attachment IV of the company's  
22 application.

1     **Q.     How will Frontier Communications of America collect and remit appropriate taxes in**  
2     **Illinois?**

3  
4     A.     The has made arrangements with its affiliated incumbent local exchange carrier to utilize  
5     the necessary tax programs and databases to track the current tax rate for all jurisdictions in which  
6     the Company's customers reside. The taxes collected by the Company will be remitted to the  
7     correct taxing authorities. Our accounting system will provide sufficiently detailed data for  
8     preparation of the Illinois Gross Receipts Tax returns.

9  
10    **Q.     Will the Company collect and remit the ITAC line charge from all telephone**  
11    **subscribers for the TTY Equipment Loan Program and Telecommunications Relay Service?**

12  
13    A.     Yes, the Company will collect the ITAC line charge from subscribers required to support  
14    ITAC and will coordinate with the ILEC to remit the charge. If the Company has a subscriber  
15    eligible for ITAC benefits, the Company will coordinate with the ILEC for the provision of the  
16    service.

17  
18    **Q.     Will the company meet the requirements of Section 13-703 of the Public Utilities Act?**

19  
20    A.     The Company will comply with any program designed and implemented by the  
21    Commission to provide telecommunications devices to the deaf and hearing impaired.

1     **Q.     Has the company ever provided service under any other name?**

2  
3     A.     No, not in Illinois. Originally, the Company was formed as Visions Long Distance  
4     America, Inc. The name was changed to Frontier Long Distance of America, Inc. and recently,  
5     changed to Frontier Communications of America, Inc.

6  
7     **Q.     How do you plan to solicit customers?**

8  
9     A.     The Company will use a variety of techniques to obtain customers. Customers will be  
10    approached by our in-house marketing department using alternative contact methods, e.g., direct  
11    mailing or more wide ranging coverage in newspapers, magazines, etc.

12  
13    **Q.     Please provide a copy of your company's written guidelines to prevent unauthorized**  
14    **"slamming" of local exchange customers.**

15  
16    A.     Consistent with federal and state regulations governing primary carrier changes, the  
17    Company's policy is to obtain a written Letter of Agency and/or third party verification from each  
18    customer prior to switching the customer to the Company's services. The Company's LOA, as  
19    drafted, incorporates all of the FCC requirements for carrier changes and requires actual execution  
20    by the customer approving the change. Our written policy is attached to this testimony as Exhibit  
21    A.

22  
23    **Q.     Will the Company sign and return to the Universal Telephone Assistance Corporation**  
24    **(UTAC) all of the necessary membership forms in a timely manner? And will the Company**  
25    **solicit, collect and remit to UTAC the voluntary contributions collected monthly from its**

1 **telephone subscribers to support the Universal Telephone Service Assistance Program?**  
2 **(UTSAP)**

3 A. Yes. As required by the Commission, the Company will return to the Universal Assistance  
4 Corporation (UTAC) all the necessary membership forms by the date required. In addition, The  
5 Company will implement the necessary procedures for solicitation, collection and remittance of  
6 contributions collected from subscribers to support the Universal Telephone Service Assistance  
7 Programs. A copy of the completed form is attached to this testimony as Exhibit B..

8  
9 **Q. Will the Company sign and return membership forms to the Universal Telephone**  
10 **Assistance Corporation and the Illinois Telecommunications Access Corporation?**

11  
12 A. Yes. the Company will sign and return membership forms to the Universal Telephone  
13 Assistance Corporation and the Illinois Telecommunications Access Corporation. A copy of the  
14 completed form is attached to this testimony as Exhibit C.

15  
16 **Q. Will Company comply with Sections 13-301 and 13-301.1 of the Public Utilities Act**  
17 **regarding the Lifeline Program and with 83 Illinois Administrative Code Part 757 regarding**  
18 **Telephone Assistance Programs?**

19  
20 A. Yes. In accordance with Section 13-301.1 (a) of the Public Utilities Act, the company will  
21 offer a 50% waiver (up to \$30) and other supplemental waivers on installation charges for Lifeline  
22 Program to eligible residential customers. We will work with the incumbents to implement the  
23 requirements and will join UTAC as described above.

1     **Q.     Why is the Company seeking a waiver from the Uniform System of Accounts?**

2  
3     A.     The Company currently maintains its books and records according to GAAP (Generally  
4     Accepted Accounting Principles). The Company requests the waiver to avoid maintaining two sets  
5     of books. USOA was designed for an older form of rate base regulation that has little value in a  
6     telecommunications environment.

7  
8     **Q.     Will your company be prepared to comply with applicable parts of Illinois**  
9     **Administrative Code Parts 720, 725, 735, 755, 756, 757 and 772?**

10  
11    A.     The Company has obtained copies of these rules and will comply with those parts  
12    applicable to local exchange carriers by providing the services directly or by contracting for  
13    service from the incumbent local exchange carrier. The company does not plan to offer billing  
14    and collection to information service providers at this time, but may choose to do in the future in  
15    accordance with 83 Illinois Administrative Code 772. Pay-per-call services that are billed under  
16    this code will include a separate heading identifying the pay-per-call service charges. Any final  
17    notice sent pursuant to 82 Ill. Adm. Code 735 to a subscriber that includes pay-per-call charges  
18    would have surcharges segregated from the amounts the subscriber must pay to avoid  
19    disconnection. Further, the final notice will state that only non-pay-per-call amounts must be paid  
20    to avoid disconnection (Section 772.110 d).

21  
22    **Q.     Have any formal complaints or judgments been levied against the company?**

23  
24    A.     No, the Company has not been involved in any formal customer complaints.  
25

1     **Q.     How will Illinois consumers benefit from the Company's services?**

2  
3     A.     Certification of the Company as a facilities-based and resold provider of local and  
4     interexchange services will increase the level of competition in Illinois. The Company proposes  
5     to offer quality services at competitive prices. The use of facilities will only enhance the  
6     company's ability to provide innovative, high quality telecommunications services to Illinois  
7     consumers. In addition, the Company's marketing plan will expand subscriber awareness of  
8     options and services available to them, thus encouraging the growth and success of competitive  
9     services.

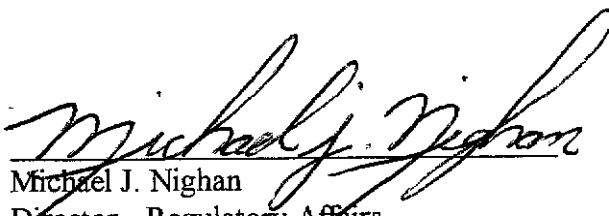
10  
11    **Q.     Does this conclude your testimony?**

12  
13    A.     Yes.

## VERIFICATION

Michael J. Nighan, being first duly sworn on oath, deposes and states that he is the Director of Regulatory Affairs for Frontier Communications of America, Inc. and that he has read the above and foregoing testimony and knows the contents thereof as well as the contents of the original application filed in this proceedings, and that the same are true to the best of his knowledge, information and belief.

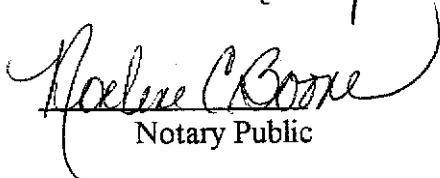
By:



Michael J. Nighan  
Director - Regulatory Affairs  
Frontier Communications of America, Inc.  
180 South Clinton Avenue  
Rochester, New York 14646

Telephone: (716) 777-8456  
Facsimile: (716) 232-3646

Subscribed and sworn to before  
me this 12<sup>th</sup> day of July, 2000

  
Notary Public

My Commission expires on:

12/26/2001

NORLENE C. BOONE  
Notary Public, State of New York  
Qualified in Monroe County  
Commission Expires Dec. 26, 2001

**EXHIBIT A**

**FRONTIER COMMUNICATIONS OF AMERICA, INC.**

**Customer Change Policy Statement**



## **EXHIBIT A**

### **Prefiled Testimony of**

### **FRONTIER COMMUNICATIONS OF AMERICA, INC.**

### **Customer Change Policy Statement**

Slamming is defined as the unauthorized change in a customer's telephone exchange service or long distance service provider. In accordance with Section 258 of the Telecommunications Act of 1996, "a change in a subscriber's selection of a provider of telephone exchange service or telephone toll service except in accordance with such verification procedures as the Commission shall prescribe" is prohibited. This section of the Act also allows State Commissions to enforce procedures for services under their jurisdiction. The FCC, in response to the provisions of Section 258, initiated a Further Notice of Proposed Rulemaking and Memorandum Opinion and Order on Reconsideration in Docket 94-129. In that proceeding the FCC proposes to amend its Part 64 rules to include not only slamming of long distance, but also local exchange services. These rules, in conjunction with any state Commission requirements, should provide the basis to avoid slamming by any LEC.

Frontier Communications of America, Inc. will clearly abide by these rules and will incorporate the specific requirements into its operational processes. Further, the Company will make it clear to its employees and third party agents (if any are utilized) that it will not tolerate any forms of customer acquisition that involve slamming practices. The Company's plans of providing any integrated package of several service to customers will make it even more important that The Company establish a clear understanding up front of which services the customer is purchasing. The need for this clarity should provide even greater assurance that the customer understands the full extent of the Company' offering before deciding to switch to Frontier Communications of America, Inc.

**EXHIBIT B**

**FRONTIER COMMUNICATIONS OF AMERICA, INC.**

**Completed ITAC/UTAC Forms**